

**DEPARTMENT OF FINANCIAL INSTITUTIONS**  
**MINUTES OF MEETING**  
**NOVEMBER 9, 1995**

The Members of the Department of Financial Institutions met at 9:00 a.m., EST, at 402 West Washington Street, Room W-066, Indianapolis, Indiana, on Thursday, November 9, 1995. Members present were Messrs. Mark Hasten, Chairman; W. Paul Wolf, Vice Chairman; R. Douglas Grant, Tony Zaleski and Norman Lowery. Also present from the Department were Charles W. Phillips, Director; J. Philip Goddard, Chief Counsel, Deputy Director, Non-Depository Institutions and Secretary; James M. Cooper, Deputy Director, Depository Institutions; Randall L. Rowe, Bank Supervisor; Kirk J. Schreiber, Bank Analyst; Gina Williams, Bank Analyst; Mark K. Powell, Supervisor, Credit Unions; Charles T. Stumpf, Deputy Director, Administrative Division; John J. Schroeder, Supervisor, Administration and Ronda Bailey, Administrative Secretary. Board Members Daniel Leitch and Mrs. Dee Godme were absent.

I. **PUBLIC SESSION**

- A.) Attendance
- B.) Date of next meeting: February 8, 1996 at 9:00 a.m., EST.
- C.) A motion was made for approval of the minutes of the meeting held October 12, 1995, by Mr. Zaleski and was seconded by Mr. Wolf. The minutes were unanimously approved.

**DIVISION OF BANK AND TRUST COMPANIES**

A) **Anthem Trust & Asset Management, Inc., Indianapolis, Marion County, Indiana**

Mr. Kirk J. Schreiber, Senior Bank Analyst, presented the request by Anthem Trust & Asset Management, Inc. ("Anthem") to approve the appointment of the liquidating agents in the dissolution of Anthem. Anthem appointed W. Ronald Dietz, Curtis L. Phillips, and James E. Money as liquidating agents after the approval of the dissolution and Plan of Liquidation by its sole shareholder, Anthem Capital Management, Inc. The dissolution of Anthem was approved by the Members of the Department at the October 12, 1995, meeting. IC 28-1-9-5 requires that the liquidating agent be approved by the Department following the approval of the dissolution by the shareholders.

A motion for approval of this request was made by Mr. Grant and seconded by Mr. Lowery. The application was unanimously approved.

## DEPUTY DIRECTOR'S COMMENTS AND REQUESTS

- A) The staff presented the Departments revised Conflicts of Interest Policy that provides ethical guidelines for Department employees to follow when involved in specific circumstances. Mr. Charles T. Stumpf, Deputy Director, Administrative Division, gave a brief overview of the contents of the revised policy which is attached and made part of the official record. Mr. Grant made a motion to approve the policy and was seconded by Mr. Wolf. The policy was unanimously approved.
- B) Mr. Phillips, Director, advised the Members of actions pursuant to delegated authority. Mr. Phillips asked for any questions or clarifications of the actions, which are as follows:

### BANK DIVISION

- 1.) SALIN BANK AND TRUST COMPANY, LOGANSPOUT, CASS COUNTY, INDIANA  
The bank has applied to the Department for approval to relocate its main office from 421 East Broadway, Logansport, Indiana to 8455 Keystone Crossing Drive, Indianapolis, Indiana. The proposed new main office facility will be designated as a 200 square foot one room office inside the bank's service corporation. There will be one teller station. Only lock box intercompany bookkeeping and employee type deposits are anticipated. The bank will lease the main office from Quality Bancorp, Inc., Indianapolis, Indiana, the bank's service corporation, for \$10 annually. This proposed main office relocation is a part of the holding company's, Salin Bancshares, Inc., plan to merge its affiliates Salin Bank and Trust, Logansport, and Columbus Bank and Trust Company, Columbus, together in 1996. The current main office will continue to exist as a branch. The bank received a satisfactory CAMEL rating as a result of a examination conducted by the DFI as of March 31, 1995. The bank's three-year average ROA is 1.36%. As of June 30, 1995, the Tier I leverage capital ratio is 9.65%. The investment in total fixed assets to total capital will remain at 15.43% following the relocation to the proposed main office. The request was approved by the Director under Delegated Authority on October 6, 1995.
- 2.) THE NAPOLEON STATE BANK, NAPOLEON, RIPLEY COUNTY, INDIANA  
The bank has applied for approval to relocate a branch banking office from 7040 West Versailles Street, Holton, Ripley County, Indiana, to a lot just east of 6407 U.S. 50, Holton, Ripley county, Indiana, (the specific address is unknown at this time). The name of the branch will remain Holton Branch of The Napoleon State Bank. The proposed site is a 1,380 square foot, one story, brick building. It includes four teller stations, three interior and one drive-thru. The current branch has limited space, does not have a drive-thru, and is likely in need of structural improvements. The bank acquired the property from Walter Renfro, Jr., Holton, indiana, for \$16,000 in 1984. The estimated cost for constructing the branch is \$250,000. Furniture, fixtures, and equipment costs are estimated \$85,000. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank

received a satisfactory CAMEL rating as a result of a examination conducted by the FDIC as of March 31, 1994. The bank's three-year average ROA is 1.12%. As of June 30, 1995, the Tier I leverage capital ratio is 9.26%. The investment in total fixed assets to total capital will increase from 10.79% before the proposed relocation to 17.81% following the proposed relocation. The request was approved by the Director under Delegated Authority on October 6, 1995.

3.) FIRST BANK OF BERNE, BERNE, ADAMS COUNTY, INDIANA

The bank has asked for an extension for the establishment of its proposed branch located at 1111 South 13th Street, Decatur, Adams County, Indiana. The branch is to be known as the First Bank of Berne Decatur Branch. The branch was approved under Delegated Authority on October 19, 1994. Due to delays in construction, the bank will be unable to open the proposed branch within one year of the Department's approval. The bank has asked for an extension until January 1, 1996. The request was approved by the Director under Delegated Authority on October 6, 1995.

4.) STAR FINANCIAL BANK, INDIANAPOLIS, INDIANAPOLIS, MARION COUNTY, INDIANA

The bank has applied to the Department for approval to establish a full service branch banking office. The application was received on September 7, 1995, and will be known as "Star Financial Bank - Applewood Center." The proposed branch will be located at 1900 Applewood Center Drive, Anderson, Madison County, Indiana. The proposed branch is a 451 square foot branch office inside a Payless Supermarket. It includes a total of four teller stations, one office and one security room. The applicant is leasing the space from Payless Supermarkets, Inc., Anderson, Indiana, with an annual rental of \$19,200. Furniture, fixtures, and equipment costs are estimated at \$229,121. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a result of a DFI examination conducted as of September 30, 1994. The bank's three-year average ROA is 1.10%. As of June 30, 1995, the Tier I leverage capital ratio is 8.07%. The investment in total fixed assets to total capital will increase from 21.27% before the addition of the two proposed branches to 23.38% following the addition of the two proposed branches. This will be the institution's tenth branch. The request was approved by the Director under Delegated Authority on October 16, 1995.

5.) STAR FINANCIAL BANK, INDIANAPOLIS, INDIANAPOLIS, MARION COUNTY, INDIANA

The bank has applied to the Department for approval to establish a full service branch banking office. The application was received on September 7, 1995, and will be known as "Star Financial Bank - Cross Street." The proposed branch will be located at 1845 State Road 9 North, Anderson, Madison County, Indiana. The proposed branch is a 451 square foot branch office inside a Payless Supermarket. It includes a total of four teller stations, one office and one security room. The applicant is leasing the space from Payless Supermarkets, Inc., Anderson, Indiana, with an annual rental of \$19,200. Furniture, fixtures, and equipment costs are estimated at \$229,121. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a

result of a DFI examination conducted as of September 30, 1994. The bank's three-year average ROA is 1.10%. As of June 30, 1995, the Tier I leverage capital ratio is 8.07%. The investment in total fixed assets to total capital will increase from 21.27% before the addition of the two proposed branches to 23.38% following the addition of the two proposed branches. This will be the institution's eleventh branch. The request was approved by the Director under Delegated Authority on October 16, 1995.

6.) FIFTH THIRD BANK OF CENTRAL INDIANA, INDIANAPOLIS, INDIANAPOLIS, MARION COUNTY, INDIANA

The bank has applied to the Department for approval to establish a full service branch banking office. The branch will be known as "Shelbyville Banking Center." The proposed branch will be located at 110 North Harrison Street, Shelbyville, Shelby County, Indiana. The new branch facility will consist of approximately 2,800 square feet and will include six teller stations. The applicant purchased the property from Richard and Rebecca Bishopp, Shelbyville, Indiana, for \$425M in december 1994. The estimated cost for constructing the branch is \$400M. Furniture, fixtures, and equipment costs are approximated at \$132M. No insider relationship exists between any insiders of the bank and any of the parties involved.

Before opening the proposed branch, the bank intends to open a temporary branch site at 21 Public Square, Shelbyville, two blocks south from the proposed site. The temporary branch site is the bank's trust and investment services office, which is being leased from George Lux, Shelbyville, for a monthly rental of \$800. The bank received a satisfactory CAMEL rating as a result of a examination conducted by the DFI as of November 3, 1994. The bank's three-year average ROA is 0.78%. As of June 30, 1995, the Tier I leverage capital ratio is 8.62%.

The investment in total fixed assets to total capital will increase from 11.63% before the addition of the proposed branch to 12.18% following the addition of the proposed branch.

This will be the institution's twenty-eighth branch. The request was approved by the Director under Delegated Authority on October 16, 1995.

7.) KENTLAND BANK, KENTLAND, NEWTON COUNTY, INDIANA

The bank has submitted an amendment to its Articles of Incorporation to amend Article V. The amendment states that "the board of directors shall consist of at least three individuals. the exact number of directors shall be determined by resolution of the board of directors." The request was approved by the Director under Delegated Authority on October 24, 1995.

8.) ADVEST BANK, HARTFORD, HARTFORD COUNTY, CONNECTICUT

An application from Advest Bank ("Advest") was received by the Department on July 17, 1995, for admission as a Foreign Corporation to transact business in the State of Indiana in accordance with the provisions of IC 28-1-22. Advest was incorporated as a Connecticut state chartered stock savings and loan association on August 11, 1983. Advest converted to a stock savings bank on May 10, 1984. Advest is a wholly-owned subsidiary of Advest Group, Inc., Hartford, Connecticut. Advest intends to provide fiduciary services that will include custodial services, estate services, and escrow services for individual corporations, partnerships, and employee benefit plans, as a result of referrals from Advest, Inc., an affiliated securities broker-dealer with an office in Indianapolis. Advest will not maintain a physical presence or office in the state and will not be actively soliciting fiduciary business. All trust agreements will be executed by Advest in the state of Connecticut. All trust

administration will be performed at Advest's headquarters in Connecticut. Advest has appointed Corporation Service Company of Indianapolis as a resident agent in Indiana for service of legal process. The request was approved by the Director under Delegated Authority on October 24, 1995.

9.) CENTIER BANK, WHITING, LAKE COUNTY, INDIANA

The bank has applied to the Department for approval to establish a full service branch banking office. The application was received on September 7, 1995, and will be known as "Portage Branch." The proposed branch will be located at 3220 Willow Creek Road, Portage, Porter County, Indiana. The new branch facility will consist of approximately 2,000 square feet and will include five teller stations. The bank purchased the property from Sam and Betty Radivan, Potage, Indiana for \$111M. The estimated cost for constructing the branch is \$370M. In addition, furniture, fixtures, and equipment costs are estimated at \$115M. No insider relationship exists between any insiders of the bank and any of the parties involved.

The bank received a satisfactory CAMEL rating as a result of an examination conducted by the FDIC as of June 30, 1994. The bank's three-year average ROA is 1.15%. As of June 30, 1995, the Tier I leverage capital ratio is 6.16%. The investment in total fixed assets to total capital will increase from 17.05% before the addition of the proposed branch to 18.62% following the addition of the proposed branch. This will be the institution's twenty-first branch. The request was approved by the Director under Delegated Authority on October 24, 1995.

10.) FIRST STATE BANK, MORGANTOWN, MORGAN COUNTY, INDIANA

The bank has applied to the Department for approval to establish a full service branch banking office. The application was received on September 15, 1995, and will be known as "First State bank, Trafalgar Office." The proposed branch will be located at 110 North state Road 135, Trafalgar, Johnson County, Indiana. The new branch facility will consist of approximately 2,940 square feet and will include six teller stations. The bank purchased the property from Bank One, Indianapolis N.A. for \$150M. The bank purchase only the brick and mortar. Furniture, fixtures, and equipment costs are estimated at \$35M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a result of a concurrent examination conducted by both the FDIC and DFI as of June 30, 1994. The bank's three-year average ROA is -0.41%.

As of June 30, 1995, the bank's ROA is 1.19%. Also as of June 30, 1995, the Tier I leverage capital ratio is 13.90%. The investment in total fixed assets to total capital will increase from 6.92% before the addition of the proposed branch to 11.35% following the addition of the proposed branch. This will be the institution's first branch. The request was approved by the Director under Delegated Authority on October 24, 1995.

11.) THE PEOPLES STATE BANK, ELLETTSVILLE, MONROE COUNTY, INDIANA

The bank has applied for approval to relocate a branch banking office from 329 South Marion Street, Morgantown, Morgan County, Indiana, to 289 South Marion Street, Morgan County, Indiana. The name of the branch will remain Morgantown Office. The proposed site is a 2,025 square foot, one story, brick building. It includes five teller stations, four interior and one drive-thru. The bank is leasing the current branch and its lease option is up at the end of the year. The bank purchased the property from Quality Foods, Inc., Indianapolis, Indiana

for \$70M in January of this year. The estimated cost for constructing the branch is \$250M. In addition, furniture, fixtures, and equipment costs are estimated at \$50M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a result of an examination conducted by the FDIC as of December 31, 1994. The bank's three-year average ROA is 1.24%. As of June 30, 1995, the Tier I leverage capital ratio is 8.30%. The investment in total fixed assets to total capital will increase from 35.27% before the proposed relocation to 38.77% following the proposed relocation. The request was approved by the Director under Delegated Authority on October 24, 1995.

12.) CITIZENS BANK OF CENTRAL INDIANA, GREENWOOD, JOHNSON COUNTY, INDIANA

The bank has entered into a Purchase and Assumption Agreement with Citizens National Bank of Evansville, Evansville, Indiana, whereby the bank will purchase approximately \$59,370M in loans and investment securities and assume approximately \$61,729M in deposits through its acquisition of three branches. The total investment in land, building, and furniture, fixtures, and equipment in the three branches is estimated at \$858M.

Application has been made to the Department for approval to establish three full service branch banking offices. One, to be known as "Shelbyville Branch", will be located at 25 Public Square, Shelbyville, Shelby County, Indiana. The branch is a 8,118 square foot, two story building. It includes five teller stations. The cost to the bank for the branch building is \$492M. The cost to the bank for the furniture, fixtures, and equipment is \$30M. CNB Bancshares, Inc., Evansville, Indiana is the parent company of the bank and Citizens National Bank of Evansville. The purpose of the Purchase and Assumption Agreement is to eliminate the duplicate administrative and operational expenses associated with maintaining the branch offices which are located in a closer proximity to bank than Citizens National Bank of Evansville. The Purchase and Assumption Agreement is considered to have been negotiated in a fair and reasonable manner. The bank received a satisfactory CAMEL rating as a result of an examination conducted by the DFI as of March 31, 1995. The bank's three-year average ROA is 1.41%. As of June 30, 1995, the Tier I leverage capital ratio is 6.87%. As a result of the purchase and assumption, the bank's Tier I leverage capital ratio declines to 5.52%. CNB Bancshares, Inc. has committed in writing to infuse the necessary capital sufficient to achieve a Tier I leverage capital ratio in excess of 6.0%.

The investment in total fixed assets to total capital will increase from 21.36% before the addition of the three branches to 24.83% following the proposed additions. As a result of the transaction, the bank's total number of branches will be fifteen. The requests were approved by the Director under Delegated Authority on October 24, 1995.

13.) CITIZENS BANK OF CENTRAL INDIANA, GREENWOOD, JOHNSON COUNTY, INDIANA

The second branch will be known as "Downtown Columbus Branch" and will be located at 435 West Washington Street, Columbus, Bartholomew County, Indiana. It is a 5,724 square foot, two story building which includes six teller stations. The cost to the bank for the branch building is \$262M. The cost to the bank for the furniture, fixtures, and equipment is \$6M.

The request was approved by the Director under Delegated Authority on October 24, 1995.

14.) CITIZENS BANK OF CENTRAL INDIANA, GREENWOOD, JOHNSON COUNTY, INDIANA

The third branch will be known as "North Columbus Branch" and will be located at 2177 Twenty-Fifth Street, Columbus, Bartholomew County, Indiana. It is a 1,872 square foot, one story building which includes six teller stations. The cost to the bank for the branch building is \$57M. The cost to the bank for the furniture, fixtures, and equipment is \$11M. The request was approved by the Director under Delegated Authority on October 24, 1995.

15.) FIRST OF AMERICA TRUST COMPANY, PEORIA, PEORIA COUNTY, CONNECTICUT

An application from First of America Trust Company ("FOA") was received by the Department on August 17, 1995, for admission as a Foreign Corporation to transact business in the State of Indiana in accordance with the provisions of IC 28-1-22. FOA was incorporated as a Illinois state chartered trust company on July 1, 1984. FOA is a wholly-owned subsidiary of First of America Bank Corporation, Kalamazoo, Michigan. FOA intends to be appointed trustee or custodian for trusts in Indiana. The majority of business will come from employee benefit trusts. FOA trust sales representatives will be soliciting trusts business in Indiana. FOA will not maintain a physical presence or office in the state. All trust agreements will be executed by FOA in the state of Illinois. All trust administration will be performed at FOA's headquarters in Illinois. FOA has appointed Malcolm C. Pownall of Indianapolis as a resident agent in Indiana for service of legal process. The request was approved by the Director under Delegated Authority on October 24, 1995.

16.) FIRST FARMERS BANK AND TRUST COMPANY, CONVERSE, MIAMI COUNTY, INDIANA

The bank has applied for approval to relocate a branch banking office from 7953 E. State Road 28, Elwood, Madison County, Indiana, to 10077 North State Road 37, Elwood, Madison County, Indiana. The proposed site is a one story, brick and wood frame structure of approximately 2800 square feet. It will include four teller stations, three offices, and one break room. The facility will also include a drive-thru. The property will be acquired for \$125,000. Estimated cost to construct the building is \$250,000 and furniture, fixtures, and equipment costs are estimated at \$187,000. No insider relationships exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a result of a FED examination conducted March 31, 1995. The bank's three-year average ROA is 1.46%.

As of June 30, 1995, the Tier 1 leverage capital ratio is 9.93%. The investment in total fixed assets to total capital will increase from 19.39% before the bank's proposed branch relocation to 22.06% following the proposed relocation. The request was approved by the Director under Delegated Authority on October 26, 1995.

## DIVISION OF CONSUMER CREDIT

- 1.) Kentucky Finance Company, Inc. is requesting a consumer loan license. They will be located in Corydon, Indiana. They are based in Lexington, Kentucky. They are owned by Associates Corporation in Irving, Texas who is separately licensed with this Department. They plan on making all types of consumer loans. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on November 1, 1995.
- 2.) Action Loan Company is requesting a check cashing license. They will be based in Clarksville, Indiana. Their home office is Louisville, Kentucky. All references are in order. It is recommended that the license be issued. The request was approved by the Director under Delegated Authority on November 1, 1995.
- 3.) Action Loan Company is requesting a loan license. They will be based in Clarksville, Indiana. Their home office is Louisville, Kentucky. They will be making short-term, pay-day type loans. They are aware of the disclosure requirements, maximum rates, etc. in regards to this special type of loan. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on November 1, 1995.
- 4.) North Central Indiana Collection Agency, Inc. is requesting a consumer loan license. They will be located in Marion. They will be taking assignment of consumer auto loans made by DeVoe Acceptance who is separately licensed. It is recommended that the license be issued. The request was approved by the Director under Delegated Authority on November 1, 1995.
- 5.) Talmage Thompson d/b/a CheckMasters is requesting a consumer loan license. He is separately licensed as a check casher. He will be making short-term, pay-day type loans. He is aware of the disclosure requirements, maximum rates, etc. in regards to this special type of loan. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on November 1, 1995.
- 6.) M&D Sax d/b/a Checks 4 Cash of Indiana is requesting a consumer loan license. He is currently licensed both as a check casher and a pawnbroker. He will be making short-term, pay day type loans. He is aware of the disclosure requirements, maximum rates etc. in regards to this special type of loan. It is recommended that the license be issued. The request was approved by the Director under Delegated Authority on November 1, 1995.
- 7.) American Check Cashing, Inc. is requesting a consumer loan license. They are currently licensed as a check casher. They plan on making short-term, pay day type loans. They are aware of the disclosure requirements, maximum rates, etc. in regards to this special type of loan. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on November 1, 1995.
- 8.) All American Financial Services, Inc. is requesting a pawnbroker license. They will be located in Hammond. Two of the officers of the Corporation were formerly involved in the consumer



finance industry in Minneapolis. All references are in order. It is recommended that the license be issued. The request was approved by the Director under Delegated Authority on November 1, 1995.

- 9.) Quality Foods, Inc. d/b/a Valley Mills Check Cashing Center is requesting a check cashing license. They are located in Indianapolis. They will be cashing checks other than incidental to the retail sale and as such will need to be licensed. All references are in order. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on November 1, 1995.
- 10.) Sycamore Chevrolet on behalf of Dealer Network Associates, Inc. of Long Valley, New Jersey is requesting approval of a Guaranteed Auto Protection (GAP) program. This will be a standard GAP agreement in terms of the types of events that will instigate coverage. The charge will be \$375 without the customer's deductible. To include the customer's \$500 deductible will increase the cost to \$385. There will be a thirty (30) day "free-look" period. There is no rebate upon prepayment. A contractual liability type policy issued by Legion Insurance has been approved by the Indiana Department of Insurance. Dealer Network has agreed to notify all 168 customers who purchased GAP agreements prior to the approval by this Department. The customer will be sent a revised agreement with all disclosures and will be given thirty (30) days to accept the new agreement or to request a credit to their account. Any customer who has already paid-in-full will be sent a full refund. It is recommended that the program be approved. The request was approved by the Director under Delegated Authority on November 1, 1995.

#### DIVISION OF CREDIT UNIONS

- 1.) PERFECT CIRCLE CREDIT UNION, HAGERSTOWN, WAYNE COUNTY, INDIANA  
Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. This amendment would place the following organizations into the field of membership of the credit union:

GATX, Inc. Richmond Operations - Richmond - 100 members

The request was approved by the Director under Delegated Authority on October 23, 1995

- 2.) U S SHOE (VEVAY) CREDIT UNION, VEVAY, SWITZERLAND COUNTY, INDIANA  
A request for approval of an application to change the corporate name of the Credit Union from U S shoe (Vevay) Credit Union to Nine West Group of Vevay Employees Credit Union.

The request was approved by the Director under Delegated Authority on October 30, 1995.

There being no further business to come before the Members, the meeting was adjourned.

APPROVED:

ATTEST:

---

Mark Hasten, Chairman

---

J. Philip Goddard, Secretary